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SAPC-10446
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15 NOV 1956

MEMORANDUM FOR THE RECORD:

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SUBJECT: Definitive Contract No. BC-200, Hycon Manufacturing Company, Pasadena, California - Project [redacted] (AQUATONE)

1. This memorandum contains a recommendation submitted for the approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 7.

2. Definitive Contract BC-200 replaces Letter Contract No. BC-200 which was approved by the Director of Central Intelligence on 28 June 1956, and Amendment No. 1 thereto which provided for an advance payment of \$250,000.00. Amendment No. 1 was approved by the Deputy Director (Support) on 19 July 1956.

3. Letter Contract No. BC-200 provided for the production and delivery of eight "B" cameras of the type previously procured for the project. In addition, it provided for the production and delivery of three "A-2" and three "B" cameras for the Department of the Air Force again, of the type previously procured for the project.

4. Agency requirements for the "B" cameras have been reduced by 3 units. The Air Force, however, has increased their requirements by 3 units for the "B" cameras. Therefore, the total number of "B" cameras being procured remains as originally contemplated by the Letter Contract.

5. The definitive contract is a fixed-price-type subject to price redetermination upward or downward upon completion of the work. The target price is \$1,848,178.89 with a ceiling price of \$2,017,736.59. More realistic estimates of contract costs were realized as decisions were made as to the quantities required for associated equipments, spare parts, ground handling equipment, test equipment, special tools. Also, an additional item for overhaul spares for one year was added. Accordingly, the definitive contract sets forth a ceiling price of \$2,017,736.59 or additional funds in the amount of \$477,736.59 to be obligated. The funds for the definitive contract are summarized as follows:

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Letter Contract obligated.

FY 56 AQUATONE Funds chargeable to Project [] in the amount

of \$ 1,040,000.00

Target Amount of Definitive Contract chargeable to FY 56

AQUATONE Funds, Project [] \$ 800,892.40

Amount for price redetermination upward, if any, chargeable to

AQUATONE Funds, Project [] (44%) 74,605.39

Total of Definitive Contract

for AQUATONE \$ 875,497.79

Amount estimated for Item No. 9 of Schedule I which is not included in the Definitive Contract but will be added by Amendment No. 1 \$ 7,000.00

Amount available for liquidation of previous FY 56 obligation \$ 157,502.21

Letter Contract obligated.

Appropriation 21x6889 for Project [] Funds transferred from the Department of Air Force \$ 500,000.00

Target Amount of Definitive Contract chargeable to Department of Air Force. Approp. 21x6889 \$1,047,286.49

Amount for Price Redetermination upward, if any, chargeable to Department of Air Force. Approp. 21x6889(56%) 94,952.31

Total of Definitive Contract for Department of Air Force \$ 1,142,238.80

Additional amount chargeable to Air Force Approp. 21x6889 642,238.80

6. A memorandum to the Comptroller signed by the Director of Central Intelligence certified that in accordance with the provisions of Section 10(b) of Public Law No. 110 that a sum not to exceed \$2,500,000.00 was available for Contract No. BC-200.

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7. Approval of Definitive Contract No. EC-200 and execution thereof on behalf of the Agency by the authorized Project Contracting Officer is recommended.

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[Redacted Signature Box]

RICHARD M. BISSELL, JR. /
SA/PC/DCI - Project Director

CONCURRENCES:

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[Redacted Signature Box]

General Counsel

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[Redacted Signature Box]

11/16/56

Comptroller

Approval requested in paragraph 7,
above, granted.

[Handwritten Signature]

DIRECTOR OF CENTRAL INTELLIGENCE